

Funding Increases for Education, Training, Employment, Environment, and Natural Resources

Many funding increases this year are associated with regulatory changes. Increased funding for education, training, and employment programs will help rural areas adjust to welfare reform; increased funding for environment and natural resources will help in adjusting to new environmental standards and concerns.

Education programs received the largest funding increases in this group for 1997 (all references to years in this article are to fiscal years). The greatest increases, in total dollars, went to the largest programs, including college student financial assistance (such as Pell grants), direct student loans, special education aid for the disabled, Head Start for low-income preschoolers, and title 1 elementary and secondary school aid for disadvantaged students (table 1). Except for student loans, which tend to be most important in farming areas and in the Midwest, most of these programs benefit low-income students and, hence, rural poverty areas may benefit the most from these changes. The program receiving the largest increase in funding, title 1 aid for disadvantaged students, is one of the most highly targeted programs to distressed rural areas, particularly benefiting poverty, mining, and totally rural areas (fig. 1).

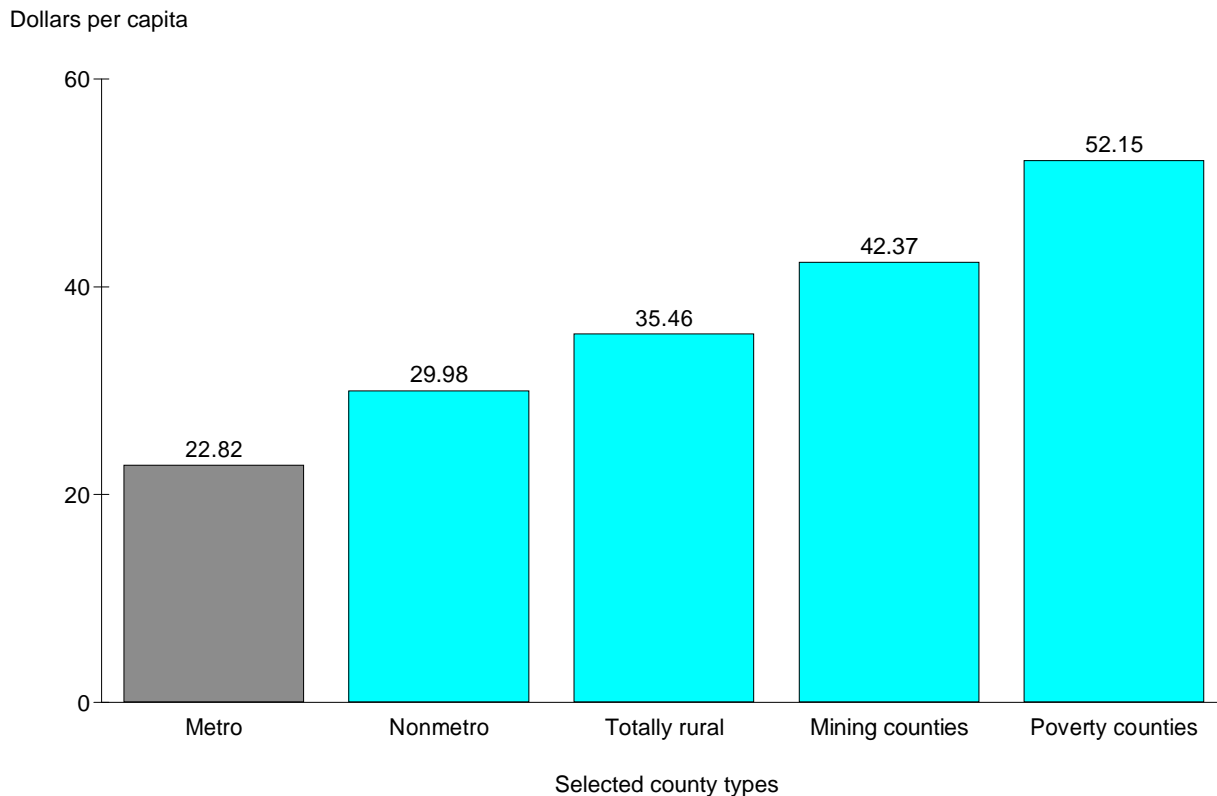
Some smaller education programs increased rapidly in percentage terms. Education technology aid more than tripled (289-percent increase), while funding for the new Goals

Table 1
Selected education programs
Most education programs experience double-digit funding growth

Program	Funding level by fiscal year ¹			Rural areas most affected by the program
	1996 actual	1997 estimate	Increase	
	Billion dollars		Percent	
Head Start	4.80	5.40	13	Poverty counties, in West and South.
Title 1 elementary and secondary school aid for disadvantaged students	5.90	7.69	30	Poverty, mining, totally rural areas, in West and South.
Special education for the disabled	3.24	4.04	24	Poverty States, Midwest States.
Student financial assistance (Pell grants)	6.26	7.56	21	Government and poverty counties, in West and Northeast.
Direct student loans	8.36	9.93	19	Farming States and Midwest States.
Guaranteed student loans	16.71	16.97	2	Farming, Midwest, and Northeast States.

¹Budget authority is used for all programs except the loan programs, which use projected loan levels (program level).
Source: Budget of the United States, fiscal year 1998.

Figure 1

Per capita Title I education aid for disadvantaged students, fiscal year 1995*Rapidly growing program disproportionately benefits poverty, mining, and totally rural counties*

Source: Calculated by ERS using Federal Funds data from the Bureau of the Census.

2000 program (which helps schools evaluate performance based on national goals) and the bilingual education programs increased by about 40 percent. These, and most other education programs, are not particularly targeted to distressed populations, so all rural (and urban) areas get increased education funding.

Some Training and Employment Programs Get Significant Funding Increases

Funding for training and employment programs is also increasing substantially in 1997, largely in response to the perceived need for help in adjusting to welfare reform. Much of the increase is for training and employment services authorized by the Job Training Partnership Act (JTPA), which receive a total of \$0.5 billion in new funds in 1997, a 14-percent increase from 1996 (table 2). The largest JTPA programs are summer youth employment and training, adult training, the Job Corps (which helps train disadvantaged young students), and dislocated worker assistance. Of these, the summer youth program, which helps find jobs for severely disadvantaged youths, receives the most significant increase in funding, up 39 percent from 1996. These programs, administered by the Department of Labor, are targeted to places with high levels of unemployment and poverty.

The community service job program for older Americans (targeted to low-income unemployed elderly) is another large Labor Department program getting a rapid increase in funding, up 24 percent. The Federal-State Employment Service's funding has increased

Table 2

Selected training and employment programs*Many training and education programs benefit from substantial funding growth*

Program	Funding level by fiscal year ¹			Rural areas most affected by the program
	1996 actual	1997 estimate	Increase	
	Billion dollars		Percent	
Total training and employment services (JTPA) ²	4.15	4.65	14	Places with high unemployment and poverty.
Summer youth	.63	.87	39	Same as above.
Adult training	.85	.90	5	Same as above.
Job Corps	1.11	1.14	3	Same as above.
Dislocated worker	1.12	1.25	12	Places with high unemployment.
Federal-State employment service	1.19	1.25	5	Farming and Western States.
Older Americans employment	.37	.46	24	Predominately urban States.
Adult education	.26	.35	36	Poverty and Southern States.
Vocational education	1.09	1.14	5	Poverty and farming States.
Rehabilitation service	2.46	2.51	2	Poverty, farming, Southern, and Midwest States.

¹Budget authority is used, except for individual JTPA programs, whose funding levels are expressed in obligations.

²Job Training Partnership Act programs include summer youth, adult training, Job Corps, dislocated worker, and other programs.

Source: Budget of the United States, fiscal year 1998.

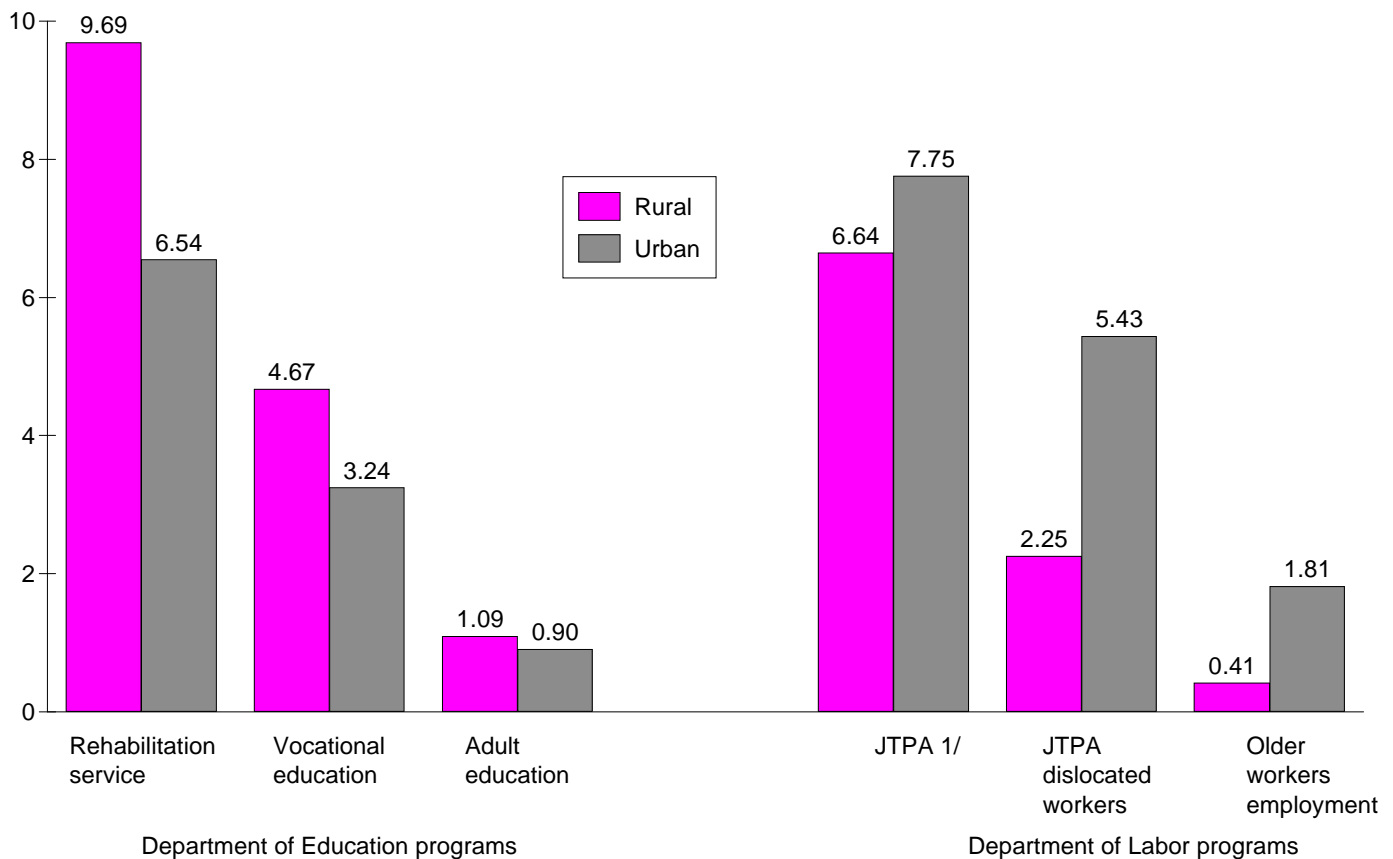
only marginally, but it will be enhanced through the development of a labor market information system and an expanded job bank.

Although the Labor Department's training and employment programs should help both urban and rural areas, urban States tend to benefit more from these programs than rural States (fig. 2). In contrast, rural States tend to benefit more from the Education Department's training programs, which include adult education, vocational education, and the rehabilitation service. Adult education funding, particularly important for poor rural areas in the South, will grow by 36 percent in 1997. Vocational education and rehabilitation aid, more important for farming areas in the South and Midwest, is growing more slowly.

Figure 2

Per capita employment and training programs, fiscal year 1995*Education's programs favor rural States, while Labor's programs favor urban States*

Dollars per capita



1/ Job Training Partnership Program (excluding Dislocated Worker Program).

Source: Calculated by ERS using Federal Funds data from the Bureau of the Census.

Most Environmental Protection and Natural Resource Programs Increased

The Environmental Protection Agency (EPA) is getting 13 percent more money in 1997 for its operating programs that pay for research and enforcement (table 3). This significant increase in funding should help EPA improve its regulations (see article on regulatory changes) and provide more support to States and localities in their efforts to monitor the environment and develop solutions to problems. Funding for EPA's State, local, and tribal grants, which help fund State and local environmental activities, has also increased, but by a lesser amount.

EPA's Superfund program is also increasing in 1997. This program, which includes the Hazardous Substance Response Trust Fund activities and Superfund grants to States, cleans up toxic waste sites left from industrial activities. Many of these waste sites are in rural areas in the Southwest and the northern Rockies and West Virginia, where mining and energy industries are located, and in the Midwest and Eastern States with river or coastal industrial sites requiring attention (fig. 3).

Table 3

Selected environmental protection and natural resource programs*Funding increases modestly for most of these programs*

Program	Funding level by fiscal year ¹			Rural areas most affected by the program
	1996 actual	1997 estimate	Increase	
	Billion dollars		Percent	
EPA Operating Program	2.74	3.11	13	Environmentally vulnerable places.
EPA State, Local and Tribal Grants	.64	.67	4	Same as above.
EPA Superfund Toxic Waste Cleanup ²	1.31	1.39	6	Mining and energy areas along coasts or rivers.
DOI National Park Service Operating Program	1.08	1.15	7	Rural areas near National Parks.
DOI Bureau of Land Management Operating Program	.56	.57	1	Rural areas near Federal lands.
DOI Fish and Wildlife Operating Program	.51	.53	3	Recreation areas.
USDA Forest Service National Forest System	1.28	1.27	0 ³	Recreation and timber-dependent areas.
USDA Conservation Reserve Program	1.73	1.86	8	Agricultural areas.

¹Budget authority is used, except for the superfund program, which uses obligations.²Includes Hazardous Substance Response Trust Fund and Superfund grants to States.³Declined less than 0.5 percent.

Source: Budget of the United States, fiscal year 1998.

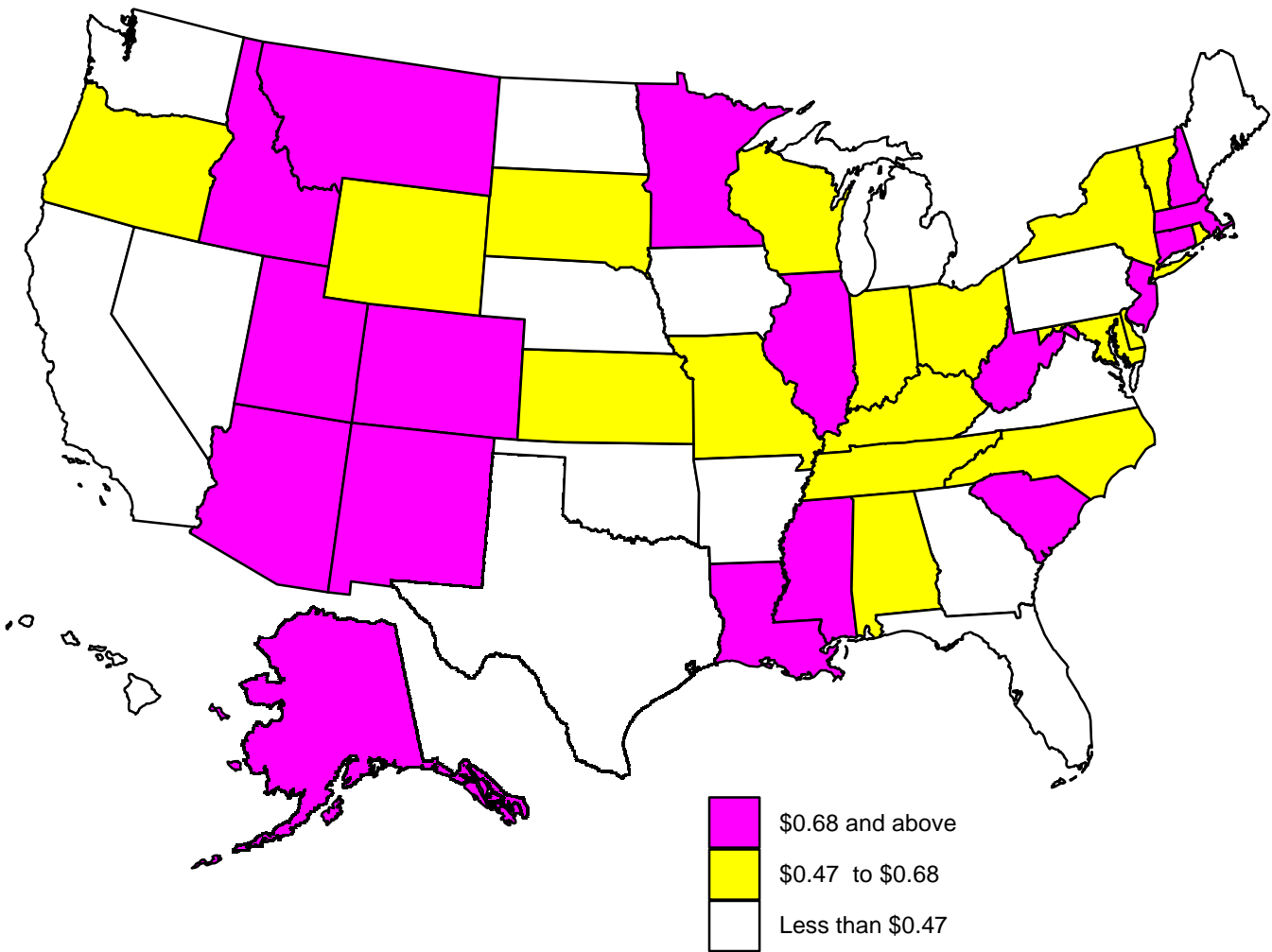
Rural areas may particularly benefit from natural resource conservation and management programs, which are particularly important for tourism, recreation, timber, mining, and other natural resource-related industries. These programs get mostly modest funding increases in 1997. Included are the Department of the Interior's operating programs for the Park Service, the Bureau of Land Management, and the Fish and Wildlife Service, which manage and maintain much of the Federal land. USDA's National Forest System funds remained steady.

USDA's Conservation Reserve Program (CRP) received a moderate, 8-percent funding increase. This program contracts with agricultural producers to retire land from production for 10 to 15 years in order to reduce erosion, protect water quality, and enhance wildlife habitat. As contracts expire on more than 21 million CRP acres, new program rules allow USDA to replace expiring contracts with new contracts on more environmentally sensitive acres in early spring 1997. However, the geographic impact of the program is not expected to change significantly. [Rick Reeder, 202-219-0551, reeder@econ.ag.gov]

Figure 3

Per capita Superfund cleanup aid, fiscal year 1995

Superfund cleanup aid has been most important in the Rocky Mountains, New England, and Mississippi River States



Source: Calculated by ERS using Federal Funds data from the Bureau of the Census.